

ANNUAL REPORT
of
THE GOODYEAR TIRE & RUBBER CO.
OF CANADA, LIMITED
NEW TORONTO, ONTARIO

1949



THE GREATEST NAME IN RUBBER

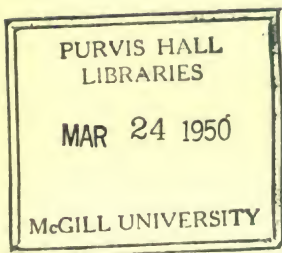
ANNUAL REPORT

to the Shareholders of

THE GOODYEAR TIRE & RUBBER CO. OF CANADA, LIMITED

For the Fiscal Year ended December 31st, 1949

NEW TORONTO, ONTARIO



THE GOODYEAR TIRE & RUBBER COMPANY

OF CANADA, LIMITED

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General Offices:	NEW TORONTO, ONT.				
Factories:	<table> <tr> <td rowspan="3">{</td> <td>NEW TORONTO, ONT.</td> </tr> <tr> <td>BOWMANVILLE, ONT.</td> </tr> <tr> <td>QUEBEC CITY, QUE.</td> </tr> </table>	{	NEW TORONTO, ONT.	BOWMANVILLE, ONT.	QUEBEC CITY, QUE.
{	NEW TORONTO, ONT.				
	BOWMANVILLE, ONT.				
	QUEBEC CITY, QUE.				
Cotton Plant:	ST. HYACINTHE, QUE.				

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BRANCHES

ST. JOHN, N.B.	112 Princess St.
QUEBEC, QUE.	Cor. Dorchester and Lalemant Sts.
MONTREAL, QUE.	679 St. James St. W.
TORONTO, ONT.	622 Fleet St. W.
LONDON, ONT.	539 Richmond St.
WINNIPEG, MAN.	97 Higgins Ave.
REGINA, SASK.	Cor. Broad St. and 6th Ave.
SASKATOON, SASK.	Cor. 24th St. and Pacific Ave.
CALGARY, ALTA.	537—8th Ave. West
EDMONTON, ALTA.	10355—105th Street
VANCOUVER, B.C.	Cor. Nelson and Hamilton Sts.

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WHOLESALE DISTRIBUTORS

Halifax, N.S.	Maritime Accessories Limited	Sackville and South Park Sts.
St. John's, Nfld.	A. E. Hickman Company Limited	

BOARD OF DIRECTORS

P. W. LITCHFIELD

Chairman
AKRON

A. G. PARTRIDGE

TORONTO

P. A. THOMSON

MONTREAL

C. H. CARLISLE

TORONTO

P. E. H. LEROY

AKRON

R. C. BERKINSHAW, C.B.E.

TORONTO

E. J. THOMAS

AKRON

OFFICERS

A. G. PARTRIDGE

President

R. C. BERKINSHAW

Vice-President and General Manager

A. W. DENNY

Vice-President

C. B. COOPER

General Sales Manager

R. W. RICHARDS

Vice-President

J. W. PHILP

Assistant Treasurer

O. H. BARRETT

Assistant to President

G. G. MERRITT

Assistant Treasurer

D. C. CARLISLE

Treasurer

W. N. FERGUSON

Assistant Comptroller

K. E. KENNEDY

Secretary

C. W. J. EVANS

Assistant Comptroller

J. G. WILLIAMS

Comptroller and
Assistant Secretary

J. D. W. CUMBERLAND

Assistant Secretary

ANNUAL REPORT OF THE DIRECTORS
OF
THE GOODYEAR TIRE & RUBBER COMPANY
OF CANADA, LIMITED

TO THE SHAREHOLDERS:

Presented herewith is the annual report of the Board of Directors of THE GOODYEAR TIRE & RUBBER COMPANY OF CANADA, LIMITED, and its subsidiary companies, which outlines the financial and operating results of the Company for the year ending December 31, 1949, together with the report of your auditors, Messrs. Price, Waterhouse & Co.

Operations of the combined Companies for the year resulted in a net profit of \$1,523,965, which, after providing for dividends on preferred shares outstanding, was equivalent to \$4.71 per share of issued common stock.

The following summary sets out the manner in which the profits for the year have been applied:

FUNDS PROVIDED

Consolidated net profit for the year.....	\$1,523,965
<i>Add</i> —Provision for depreciation, which does not represent a current disbursement of funds.....	\$1,638,944
Decrease in investments and other assets.....	46,688
	1,685,632
Total funds provided from operations.....	\$3,209,597
Decrease in net current assets or working capital.....	491,228
Total.....	<u>\$3,700,825</u>

DISPOSITION OF FUNDS

Dividends on four per cent. preferred stock.....	\$ 312,210
Dividends on common stock.....	1,543,560
	\$1,855,770
Preferred stock redeemed and cancelled.....	103,300
Expended for additions to plant and equipment (net).....	1,741,755
Total as above.....	<u>\$3,700,825</u>

The inventories of raw materials, work in process and finished goods have been thoroughly reviewed and included in the balance sheet on the usual basis of cost or market, whichever is lower.

Adequate reserves have been established to provide for accruing depreciation of buildings and equipment, possible loss in the realization of accounts receivable, and for income taxes.

Capital expenditures totalling \$1,741,755 were made during 1949 principally for the installation of additional equipment to improve production capacity in the Company's manufacturing plants.

The consolidated balance sheet discloses that the strong financial position of your Company has been well maintained, but the requirements for funds to finance plant additions and improvements and to carry adequate stocks of materials at present high prices continue to make heavy demands on the Company's cash resources.

Sales of your Company's products have continued at a substantially high level although the export sales have declined materially, because of import restrictions imposed in many foreign market countries due to lack of convertible currency.

Further, to meet the challenge of the highly competitive domestic market in 1949, your Company reintroduced the Marathon truck and passenger tires and presented Canada's first all nylon cord auto tire, the new Goodyear Double Eagle Super-Cushion, for those who demand the best in motoring luxury, comfort and safety. These products will help Goodyear to continue the policy of giving its dealers from coast to coast a tire for every purse and for every purpose.

Because of higher taxes, of increased labour and material costs and freight rates, and due to the devaluation of the Canadian dollar, your Company found it necessary in December to increase the price of Goodyear tires and tubes by 10%. This increase represents the first advance in Goodyear tire prices since 1946. In 1947 your Company announced a substantial reduction in prices which remained in effect until this year. However, even with this increase, prices of most popular sizes are still below 1940 levels, although the quality of our tires has been steadily improved.

Your Company also has opened a new sales branch in Edmonton, Alberta, which is designed to meet the challenge of the substantial developments that have been and are taking place in the northern part of that province, particularly in crude oil production, as well as in the increase of grain acreage and mixed farming. This eleventh of the Company's sales branches will replace previously existing facilities, provide additional service to dealers and at the same time afford desirable economies in distribution costs.

The Company's operations during the past year could not have been carried on efficiently and successfully without the co-operation and loyal efforts of the employees. To them, everywhere in the organization, we express sincere appreciation for their services; and we gratefully acknowledge the continued interest and support of the shareholders.

On Behalf of the Board


President.

March 21, 1950.

THE GOODYEAR TIRE & RUBBER CO.

AND SUBSIDIARIES

CONSOLIDATED

ASSETS

	December 31 1949	December 31 1948
CURRENT ASSETS:		
Cash.....	\$ 94,208	\$ 289,122
Accounts receivable, less reserve for bad debts—1949— \$304,562; 1948—\$304,562.....	4,115,825	3,544,295
Inventories at cost or market whichever is lower.....	10,217,999	10,619,131
TOTAL CURRENT ASSETS.....	\$14,428,032	\$14,452,548
INVESTMENTS AND OTHER ASSETS:		
Stocks, bonds and mortgages.....	\$ 391,081	\$ 237,901
Preferred stock redemption fund.....	26,341	54,983
Refundable portion of excess profits taxes (refundable within one year—1949—\$262,617; 1948—\$152,444).....	544,813	697,257
Deferred charges to future operations.....	106,460	125,242
	\$ 1,068,695	\$1,115,383
PROPERTY ACCOUNTS:		
Land, buildings, machinery and equipment.....	\$25,095,319	\$23,643,736
Less— Reserve for depreciation	15,671,243	14,322,471
	\$ 9,424,076	\$ 9,321,265
	<u>\$24,920,803</u>	<u>\$24,889,196</u>

COMPANY OF CANADA, LIMITED

Y COMPANIES

BALANCE SHEET

LIABILITIES

	December 31 1949	December 31 1948
CURRENT LIABILITIES:		
Bank overdraft.....	\$ 631,125	
Accounts payable.....	2,806,308	\$ 2,761,998
Accrued income and other taxes payable.....	793,023	1,000,713
Preferred stock dividend payable.....	78,199	79,232
TOTAL CURRENT LIABILITIES.....	\$ 4,308,655	\$ 3,841,943
 RESERVE FOR CONTINGENCIES.....	 \$ 1,000,000	 \$ 1,000,000
 CAPITAL STOCK:		
Four per cent. Cumulative Redeemable Sinking Fund Preferred Stock:		
Authorized—160,000 shares of \$50.00 each, \$8,000,000		
Issued and fully paid—160,000 shares.....	\$ 8,000,000	\$ 8,000,000
Less—Redeemed and cancelled—1949—3,602 shares;		
1948—1,536 shares.....	180,100	76,800
Outstanding:		
156,398 shares (1949); 158,464 shares (1948)	\$ 7,819,900	\$ 7,923,200
Common stock, no par value:		
Authorized—290,660 shares; issued—257,260 shares.....	128,630	128,630
Capital surplus.....	692,350	692,350
	\$ 8,640,880	\$ 8,744,180
 EARNED SURPLUS, as per statement attached.....	 \$10,971,268	 \$11,303,073
	<u><u>\$24,920,803</u></u>	<u><u>\$24,889,196</u></u>

THE GOODYEAR TIRE & RUBBER COMPANY OF CANADA, LIMITED

AND SUBSIDIARY COMPANIES

CONSOLIDATED PROFIT AND LOSS STATEMENT

	Year ended December 31	
	1949	1948
Profit from operations before providing for depreciation and income taxes.....	\$ 4,015,434	\$ 5,300,304
Other income.....	53,484	33,895
	<u>\$ 4,068,918</u>	<u>\$ 5,334,199</u>
Deduct:		
Provision for depreciation.....	\$ 1,638,944	\$ 1,385,935
Provision for income taxes.....	906,009	1,536,145
	<u>\$ 2,544,953</u>	<u>\$ 2,922,080</u>
Net profit for the year carried to Earned Surplus, as below.....	<u><u>\$ 1,523,965</u></u>	<u><u>\$ 2,412,119</u></u>

CONSOLIDATED EARNED SURPLUS STATEMENT

	Year ended December 31	
	1949	1948
Balance at end of previous year.....	\$11,303,073	\$10,108,939
Net profit for year, per consolidated profit and loss statement, as above.....	1,523,965	2,412,119
	<u>\$12,827,038</u>	<u>\$12,521,058</u>
Deduct:		
Dividends:		
On four per cent. preferred stock.....	\$ 312,210	\$ 317,575
On common stock.....	1,543,560	900,410
	<u>\$ 1,855,770</u>	<u>\$ 1,217,985</u>
Earned Surplus December 31, per balance sheet.....	<u><u>\$10,971,268</u></u>	<u><u>\$11,303,073</u></u>

PRICE, WATERHOUSE & CO.

ROYAL BANK BUILDING
TORONTO

January 27, 1950.

To the Shareholders of

THE GOODYEAR TIRE & RUBBER COMPANY
OF CANADA, LIMITED:

We have examined the consolidated balance sheet of The Goodyear Tire & Rubber Company of Canada, Limited, and its subsidiary companies as at December 31, 1949 and the related consolidated statements of profit and loss and earned surplus for the year ended on that date, and all our requirements as auditors have been complied with. Our examination included such tests of the accounting records and other supporting evidence and such other procedures as we considered appropriate in the circumstances.

In our opinion, the accompanying consolidated balance sheet and the related consolidated statements of profit and loss and earned surplus are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the companies as at December 31, 1949 and the result of operations for the year ended on that date, according to the best of our information and the explanations given to us and as shown by the books of the companies.

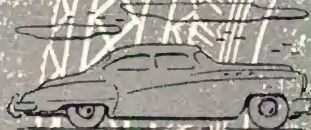
Price, Waterhouse & Co.

Auditors.

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YEARS OF PROGRESS

1910



1950



VANCOUVER, B.C., BRANCH



LONDON, ONT., BRANCH



CALGARY, ALTA., BRANCH



ST. JOHN, N.B., BRANCH



WINNIPEG, MAN., BRANCH



REGINA, SASK., BRANCH



TORONTO, ONT., BRANCH



NEW TORONTO, Head Office and Tire Plant



NEW TORONTO, Airfoam and Pliofilm



ST. HYACINTHE, P.Q., Cotton and Rayon Mill



BOWMANVILLE, Industrial Rubber Goods



QUEBEC CITY, P.Q., Moulded Rubber Goods

Constant expansion, together with proven ability to produce and distribute quality goods, have marked the growth of Goodyear in Canada, so that to-day this Company is distinguished as the leader of the rubber industry.

Modern plants throughout Ontario and Quebec, and eleven branches strategically located from coast to coast, give proof of Goodyear's vision and planning over the past forty years.

New products - Airfoam, Pliofilm and Neolite - introduced since the war, and the opening of a new branch in Edmonton during 1950, provide fresh evidence that Goodyear is alert and ready to-day, to take advantage of the opportunities offered to -morrow.



MONTREAL, P.Q., BRANCH



QUEBEC, P.Q., BRANCH



SASKATOON, SASK., BRANCH



EDMONTON, ALTA., BRANCH

The Finest Tire in the World
Back Again—Better than ever!

GOOD YEAR ANNOUNCES CANADA'S

FIRST ALL NYLON CORD AUTO TIRE

The new **GOOD YEAR**
DOUBLE EAGLE
NYLON CORD
Super Cushion
ANOTHER GOODYEAR FIRST

In 1949, Goodyear introduced the world's finest auto tire, the now famous Double Eagle Nylon Super-Cushion. In creating the all nylon Double Eagle, Goodyear demonstrated once more the far-sighted planning that has made possible so many Goodyear "firsts" in the tire industry. Today, as always, Goodyear leads where others follow. As a result, more people ride on Goodyear tires than on any other kind.



GOOD YEAR

MORE PEOPLE RIDE ON GOODYEAR TIRES THAN ON ANY OTHER KIND

THE NEW DOUBLE EAGLE
in combination with Goodyear's
matchless LifeGuard Safety Tuber—
is unquestionably today's
final word in motoring luxury,
comfort and safety.

MORE PEOPLE RIDE ON
GOODYEAR TIRES
THAN ON ANY OTHER KIND

